

Introduced by Senator Machado

February 18, 2005

An act to amend Sections 69, 69.3, 170, 172, 172.1, and 194 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 555, as introduced, Machado. Property tax relief: state emergencies

Existing law authorizes the Governor to proclaim a state of emergency in specified circumstances. The California Constitution and existing law authorize various forms of relief regarding the payment of property taxes, or taxes that are imposed in lieu of property taxes, on property that is damaged in a disaster, as declared by the Governor. Under existing law, these forms of relief include authorizing a taxpayer to defer the payment of property taxes on this property and authorizing a taxpayer to transfer the base year value, as defined, of this property to a replacement property.

This bill would recast these disaster-relief provisions by clarifying that a Governor-declared disaster means a state of emergency proclaimed by the Governor.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 69 of the Revenue and Taxation Code is
- 2 amended to read:
- 3 69. (a) Notwithstanding any other provision of law, pursuant
- 4 to Section 2 of Article XIII A of the Constitution, the base year
- 5 value of property ~~which~~ *that* is substantially damaged or

1 destroyed by a disaster, as ~~declared~~ *proclaimed* by the Governor,
2 may be transferred to comparable property within the same
3 county which is acquired or newly constructed within three years
4 after the disaster, or five years in the case of the Northridge
5 earthquake, as a replacement for the substantially damaged or
6 destroyed property. At the time the base year value of the
7 substantially damaged or destroyed property is transferred to the
8 replacement property, the substantially damaged or destroyed
9 property shall be reassessed at its full cash value; however, the
10 substantially damaged or destroyed property shall retain its base
11 year value notwithstanding the transfer authorized by this
12 section. If the owner or owners of substantially damaged or
13 destroyed property receive property tax relief under this section,
14 that property shall not be eligible for property tax relief under
15 subdivision (c) of Section 70 in the event of its reconstruction.

16 (b) The replacement base year value of the replacement
17 property acquired shall be determined in accordance with this
18 section.

19 The following procedure shall be used by the assessor in
20 determining the appropriate replacement base year value of
21 comparable replacement property:

22 (1) If the full cash value of the comparable replacement
23 property does not exceed 120 percent of the full cash value of the
24 property substantially damaged or destroyed, then the adjusted
25 base year value of the property substantially damaged or
26 destroyed shall be transferred to the comparable replacement
27 property as its replacement base year value.

28 (2) If the full cash value of the replacement property exceeds
29 120 percent of the full cash value of the property substantially
30 damaged or destroyed, then the amount of the full cash value
31 over 120 percent of the full cash value of the property
32 substantially damaged or destroyed shall be added to the adjusted
33 base year value of the property substantially damaged or
34 destroyed. The sum of these amounts shall become the
35 replacement property's replacement base year value.

36 (3) If the full cash value of the comparable replacement
37 property is less than the adjusted base year value of the property
38 substantially damaged or destroyed, then that lower value shall
39 become the replacement property's base year value.

1 (4) The full cash value of the property substantially damaged
2 or destroyed shall be the amount of its full cash value
3 immediately prior to its substantial damage or destruction, as
4 determined by the county assessor of the county in which the
5 property is located.

6 (c) For purposes of this section:

7 (1) Property is substantially damaged or destroyed if it
8 sustains physical damage amounting to more than 50 percent of
9 its full cash value immediately prior to the disaster. Damage
10 includes a diminution in the value of property as a result of
11 restricted access to the property where the restricted access was
12 caused by the disaster and is permanent in nature.

13 (2) Replacement property is comparable to the property
14 substantially damaged or destroyed if it is similar in size, utility,
15 and function to the property which it replaces.

16 (A) Property is similar in function if the replacement property
17 is subject to similar governmental restrictions, such as zoning.

18 (B) Both the size and utility of property are interrelated and
19 associated with value. Property is similar in size and utility only
20 to the extent that the replacement property is, or is intended to be,
21 used in the same manner as the property substantially damaged
22 or destroyed and its full cash value does not exceed 120 percent
23 of the full cash value of the property substantially damaged or
24 destroyed.

25 (i) A replacement property or any portion thereof used or
26 intended to be used for a purpose substantially different than the
27 use made of the property substantially damaged or destroyed
28 shall to the extent of the dissimilar use be considered not similar
29 in utility.

30 (ii) A replacement property or portion thereof which satisfies
31 the use requirement but has a full cash value which exceeds 120
32 percent of the full cash value of the property substantially
33 damaged or destroyed shall be considered, to the extent of the
34 excess, not similar in utility and size.

35 (C) To the extent that replacement property, or any portion
36 thereof, is not similar in function, size, and utility, the property,
37 or portion thereof, shall be considered to have undergone a
38 change in ownership when the replacement property is acquired
39 or newly constructed.

(3) “Disaster” means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of ~~disaster~~ *emergency* as a result of the misfortune or calamity.

(d) (1) This section ~~shall apply~~ *applies* to any comparable replacement property acquired or newly constructed on or after July 1, 1985.

(2) The amendments made by the act adding this paragraph shall apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

(e) Only the owner or owners of the property substantially damaged or destroyed, whether one or more individuals, partnerships, corporations, other legal entities, or a combination thereof, shall receive property tax relief under this section. Relief under this section shall be granted to an owner or owners of substantially damaged or destroyed property obtaining title to replacement property. The acquisition of an ownership interest in a legal entity which, directly or indirectly, owns real property is not an acquisition of comparable property.

SEC. 2. Section 69.3 of the Revenue and Taxation Code is amended to read:

69.3. (a) (1) Notwithstanding any other provision of law, pursuant to the authority of paragraph (3) of subdivision (e) of Section 2 of Article XIII A of the California Constitution, a county board of supervisors, after consultation with affected local agencies located within the boundaries of the county, may adopt an ordinance that authorizes the transfer, subject to the conditions and limitations of this section, of the base year value of real property that is located within another county in this state and has been substantially damaged or destroyed by a disaster to comparable replacement property, including land, of equal or lesser value that is located within the adopting county and has been acquired or newly constructed as a replacement for the damaged or destroyed property within three years after the damage or destruction of the original property.

(2) The base year value of the original property shall be the base year value of the original property as determined in accordance with Section 110.1, with the inflation factor

1 adjustments permitted by subdivision (f) of Section 110.1,
2 determined as of the date immediately prior to the date that the
3 original property was substantially damaged or destroyed. The
4 base year value of the original property shall also include any
5 inflation factor adjustments permitted by subdivision (f) of
6 Section 110.1 for the period subsequent to the date of the
7 substantial damage to, or destruction of, the original property and
8 up to the date the replacement property is acquired or newly
9 constructed, regardless of whether the claimant continued to own
10 the original property during this entire period. The base year or
11 years used to compute the base year value of the original
12 property shall be deemed to be the base year or years of any
13 property to which that base year value is transferred pursuant to
14 this section.

15 (b) For purposes of this section:

16 (1) “Affected local agency” means any city, special district,
17 school district, or community college district that receives an
18 annual allocation of ad valorem property tax revenues.

19 (2) “Claimant” means an owner or owners of real property
20 claiming the property tax relief provided by this section.

21 (3) “Comparable replacement property” means a replacement
22 property that has a full cash value of equal or lesser value as
23 defined in paragraph (6).

24 (4) “Consultation” means a noticed hearing, that is conducted
25 by a county board of supervisors concerning the adoption of an
26 ordinance described in subdivision (a) and with respect to which
27 all affected local agencies within the boundaries of the county are
28 provided with reasonable notice of the time and the place of the
29 hearing and a reasonable opportunity to appear and participate.

30 (5) “Disaster” means a major misfortune or calamity in an area
31 subsequently proclaimed by the Governor to be in a state of
32 ~~disaster~~ *emergency* as a result of the misfortune or calamity.

33 (6) “Equal or lesser value” means that the amount of the full
34 cash value of the replacement property does not exceed one of
35 the following:

36 (A) One hundred five percent of the amount of the full cash
37 value of the original property if the replacement property is
38 purchased or newly constructed within the first year following
39 the date of the damage or destruction of the original property.

1 (B) One hundred ten percent of the amount of the full cash
2 value of the original property if the replacement property is
3 purchased or newly constructed within the second year following
4 the date of the damage or destruction of the original property.

5 (C) One hundred fifteen percent of the amount of the full cash
6 value of the original property if the replacement property is
7 purchased or newly constructed within the third year following
8 the date of the damage or destruction of the original property.

9 For the purposes of this paragraph, if the replacement property
10 is, in part, purchased and, in part, newly constructed, the date the
11 “replacement property is purchased or newly constructed” is the
12 date of the purchase or the date of completion of new
13 construction, whichever is later.

14 (7) “Full cash value of the original property” means its full
15 cash value, as determined in accordance with Section 110,
16 immediately prior to its substantial damage or destruction, as
17 determined by the county assessor of the county in which the
18 property is located.

19 (8) “Full cash value of the replacement property” means its
20 full cash value, as determined in accordance with Section 110.1
21 as of the date upon which it was purchased or new construction
22 was completed, that is applicable on and after that date.

23 (9) “Original property” means a building, structure, or other
24 shelter constituting a place of abode, whether real property or
25 personal property, that is owned and occupied by a claimant as
26 his or her principal place of residence, and any land owned by the
27 claimant on which the building, structure, or other shelter is
28 situated, that has been substantially damaged or destroyed by a
29 disaster. For purposes of this paragraph, land constituting a part
30 of original property includes only that area of reasonable size that
31 is used as a site for a residence, and “land owned by the
32 claimant” includes land for which the claimant either holds a
33 leasehold interest described in subdivision (c) of Section 61 or a
34 land purchase contract. For purposes of this paragraph, each unit
35 of a multiunit dwelling shall be considered a separate original
36 property.

37 (10) “Owner or owners” means an individual or individuals,
38 but does not include any firm, partnership, association,
39 corporation, company, other legal entity or organization of any
40 kind.

(11) “Replacement property” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the replacement property includes only that area of reasonable size that is used as the site for a residence, and “land owned by the claimant” includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. For purposes of this paragraph, each unit of a multiunit dwelling shall be considered a separate replacement property. “Replacement property” does not include any property, including land or improvements, if the claimant owned any portion of that property prior to the date of the disaster that damaged or destroyed the original property.

(12) “Substantially damaged or destroyed” means property that sustains physical damage amounting to more than 50 percent of its full cash value immediately prior to the disaster. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(c) At the time the base year value of the substantially damaged or destroyed property is transferred to the replacement property pursuant to an ordinance adopted under this section, the substantially damaged or destroyed property shall be reassessed at its full cash value. However, the substantially damaged or destroyed property shall retain its base year value notwithstanding that transfer. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(d) Only the owner or owners of the property that has been substantially damaged or destroyed may receive property tax relief under an ordinance adopted pursuant to this section. Relief under an ordinance adopted pursuant to this section shall be granted to an owner or owners of a substantially damaged or destroyed property obtaining comparable replacement property. The acquisition of an ownership interest in a legal entity that,

1 directly or indirectly, owns real property is not an acquisition of
2 comparable replacement property for purposes of this section.

3 (e) A timely claim for relief under an ordinance adopted
4 pursuant to this section, in that form as shall be prescribed by the
5 board, shall be filed by the owner with the assessor of the county
6 in which the replacement property is located. No relief under an
7 ordinance adopted pursuant to this section shall be granted unless
8 the claim is filed no later than January 1, 1996, or within three
9 years after the replacement property is acquired or newly
10 constructed, whichever is later.

11 (f) Any taxes that were levied on the replacement property
12 prior to the filing of a claim on the basis of the replacement
13 property's new base year value, and any allowable annual
14 adjustments thereto, shall be canceled or refunded to the claimant
15 to the extent that taxes exceed the amount that would be due
16 when determined on the basis of the adjusted new base year
17 value.

18 (g) This section shall apply to any comparable replacement
19 property of equal or lesser value that is acquired or newly
20 constructed as a replacement for property that has been
21 substantially damaged or destroyed by a disaster occurring on or
22 after October 20, 1991, and to the determination of base year
23 values for the 1991–92 fiscal year and each fiscal year thereafter.

24 SEC. 3. Section 170 of the Revenue and Taxation Code is
25 amended to read:

26 170. (a) Notwithstanding any provision of law to the
27 contrary, the board of supervisors may, by ordinance, provide
28 that every assessee of any taxable property, or any person liable
29 for the taxes thereon, whose property was damaged or destroyed
30 without his or her fault, may apply for reassessment of that
31 property as provided herein. The ordinance may also specify that
32 the assessor may initiate the reassessment where the assessor
33 determines that within the preceding 12 months taxable property
34 located in the county was damaged or destroyed.

35 To be eligible for reassessment the damage or destruction to
36 the property shall have been caused by any of the following:

37 (1) A major misfortune or calamity, in an area or region
38 subsequently proclaimed by the Governor to be in a state of
39 ~~disaster~~ emergency, if that property was damaged or destroyed by
40 the major misfortune or calamity that caused the Governor to

1 proclaim the area or region to be in a state of ~~disaster~~ *emergency*.
2 As used in this paragraph, “damage” includes a diminution in the
3 value of property as a result of restricted access to the property
4 where that restricted access was caused by the major misfortune
5 or calamity.

6 (2) A misfortune or calamity.

7 (3) A misfortune or calamity that, with respect to a possessory
8 interest in land owned by the state or federal government, has
9 caused the permit or other right to enter upon the land to be
10 suspended or restricted. As used in this paragraph, “misfortune or
11 calamity” includes a drought condition such as existed in this
12 state in 1976 and 1977.

13 The application for reassessment may be filed within the time
14 specified in the ordinance or within 12 months of the misfortune
15 or calamity, whichever is later, by delivering to the assessor a
16 written application requesting reassessment showing the
17 condition and value, if any, of the property immediately after the
18 damage or destruction, and the dollar amount of the damage. The
19 application shall be executed under penalty of perjury, or if
20 executed outside the State of California, verified by affidavit.

21 An ordinance may be made applicable to a major misfortune or
22 calamity specified in paragraph (1) or to any misfortune or
23 calamity specified in paragraph (2), or to both, as the board of
24 supervisors determines. An ordinance may not be made
25 applicable to a misfortune or calamity specified in paragraph (3),
26 unless an ordinance making paragraph (2) applicable is operative
27 in the county. The ordinance may specify a period of time within
28 which the ordinance shall be effective, and, if no period of time
29 is specified, it shall remain in effect until repealed.

30 (b) Upon receiving a proper application, the assessor shall
31 appraise the property and determine separately the full cash value
32 of land, improvements and personalty immediately before and
33 after the damage or destruction. If the sum of the full cash values
34 of the land, improvements and personalty before the damage or
35 destruction exceeds the sum of the values after the damage by ten
36 thousand dollars (\$10,000) or more, the assessor shall also
37 separately determine the percentage reductions in value of land,
38 improvements and personalty due to the damage or destruction.
39 The assessor shall reduce the values appearing on the assessment
40 roll by the percentages of damage or destruction computed

1 pursuant to this subdivision, and the taxes due on the property
2 shall be adjusted as provided in subdivision (e). However, the
3 amount of the reduction shall not exceed the actual loss.

4 (c) The assessor shall notify the applicant in writing of the
5 amount of the proposed reassessment. The notice shall state that
6 the applicant may appeal the proposed reassessment to the local
7 board of equalization within six months of the date of mailing the
8 notice. If an appeal is requested within the six-month period, the
9 board shall hear and decide the matter as if the proposed
10 reassessment had been entered on the roll as an assessment made
11 outside the regular assessment period. The decision of the board
12 regarding the damaged value of the property shall be final,
13 provided that a decision of the local board of equalization
14 regarding any reassessment made pursuant to this section shall
15 create no presumption as regards the value of the affected
16 property subsequent to the date of the damage.

17 Those reassessed values resulting from reductions in full cash
18 value of amounts, as determined above, shall be forwarded to the
19 auditor by the assessor or the clerk of the local equalization
20 board, as the case may be. The auditor shall enter the reassessed
21 values on the roll. After being entered on the roll, those
22 reassessed values shall not be subject to review, except by a court
23 of competent jurisdiction.

24 (d) (1) If no application is made and the assessor determines
25 that within the preceding 12 months a property has suffered
26 damage caused by misfortune or calamity that may qualify the
27 property owner for relief under an ordinance adopted under this
28 section, the assessor shall provide the last known owner of the
29 property with an application for reassessment. The property
30 owner shall file the completed application within 60 days of the
31 date of mailing on notification by the assessor but in no case
32 more than 12 months after the occurrence of said damage. Upon
33 receipt of a properly completed, timely filed application, the
34 property shall be reassessed in the same manner as required in
35 subdivision (b).

36 (2) This subdivision does not apply where the assessor
37 initiated reassessment as provided in subdivision (a) or (1).

38 (e) The tax rate fixed for property on the roll on which the
39 property so reassessed appeared at the time of the misfortune or
40 calamity, shall be applied to the amount of the reassessment as

determined in accordance with this section and the assessee shall be liable for: (1) a prorated portion of the taxes that would have been due on the property for the current fiscal year had the misfortune or calamity not occurred, to be determined on the basis of the number of months in the current fiscal year prior to the misfortune or calamity; plus, (2) a proration of the tax due on the property as reassessed in its damaged or destroyed condition, to be determined on the basis of the number of months in the fiscal year after the damage or destruction, including the month in which the damage was incurred. For purposes of applying the preceding calculation in prorating supplemental taxes, the term “fiscal year” means that portion of the tax year used to determine the adjusted amount of taxes due pursuant to subdivision (b) of Section 75.41. If the damage or destruction occurred after January 1 and before the beginning of the next fiscal year, the reassessment shall be utilized to determine the tax liability for the next fiscal year. However, if the property is fully restored during the next fiscal year, taxes due for that year shall be prorated based on the number of months in the year before and after the completion of restoration.

(f) Any tax paid in excess of the total tax due shall be refunded to the taxpayer pursuant to Chapter 5 (commencing with Section 5096) of Part 9, as an erroneously collected tax or by order of the board of supervisors without the necessity of a claim being filed pursuant to Chapter 5.

(g) The assessed value of the property in its damaged condition, as determined pursuant to subdivision (b) compounded annually by the inflation factor specified in subdivision (a) of Section 51, shall be the taxable value of the property until it is restored, repaired, reconstructed or other provisions of the law require the establishment of a new base year value.

If partial reconstruction, restoration, or repair has occurred on any subsequent lien date, the taxable value shall be increased by an amount determined by multiplying the difference between its factored base year value immediately before the calamity and its assessed value in its damaged condition by the percentage of the repair, reconstruction, or restoration completed on that lien date.

(h) (1) When the property is fully repaired, restored, or reconstructed, the assessor shall make an additional assessment

1 or assessments in accordance with subparagraph (A) or (B) upon
2 completion of the repair, restoration, or reconstruction:

3 (A) If the completion of the repair, restoration, or
4 reconstruction occurs on or after January 1, but on or before May
5 31, then there shall be two additional assessments. The first
6 additional assessment shall be the difference between the new
7 taxable value as of the date of completion and the taxable value
8 on the current roll. The second additional assessment shall be the
9 difference between the new taxable value as of the date of
10 completion and the taxable value to be enrolled on the roll being
11 prepared.

12 (B) If the completion of the repair, restoration, or
13 reconstruction occurs on or after June 1, but before the
14 succeeding January 1, then the additional assessment shall be the
15 difference between the new taxable value as of the date of
16 completion and the taxable value on the current roll.

17 (2) On the lien date following completion of the repair,
18 restoration, or reconstruction, the assessor shall enroll the new
19 taxable value of the property as of that lien date.

20 (3) For purposes of this subdivision, “new taxable value” shall
21 mean the lesser of the property’s (A) full cash value, or (B)
22 factored base year value or its factored base year value as
23 adjusted pursuant to subdivision (c) of Section 70.

24 (i) The assessor may apply Chapter 3.5 (commencing with
25 Section 75) of Part 0.5 in implementing this section, to the extent
26 that chapter is consistent with this section.

27 (j) This section applies to all counties, whether operating
28 under a charter or under the general laws of this state.

29 (k) Any ordinance in effect pursuant to Section 155.1, 155.13,
30 or 155.14 shall remain in effect according to its terms as if that
31 ordinance was adopted pursuant to this section, subject to the
32 limitations of subdivision (b).

33 (l) When the assessor does not have the general authority
34 pursuant to subdivision (a) to initiate reassessments, if no
35 application is made and the assessor determines that within the
36 preceding 12 months a property has suffered damage caused by
37 misfortune or calamity, that may qualify the property owner for
38 relief under an ordinance adopted under this section, the assessor
39 may, with the approval of the board of supervisors, reassess the
40 particular property for which approval was granted as provided in

1 subdivision (b) and notify the last known owner of the property
2 of the reassessment.

3 SEC. 4. Section 172 of the Revenue and Taxation Code is
4 amended to read:

5 172. Whenever a manufactured home is destroyed on or after
6 January 1, 1982, as the result of a ~~disaster declared by major~~
7 *misfortune or calamity for which the Governor proclaimed a*
8 *state of emergency in the area or region in which the misfortune*
9 *or calamity occurred*, the owner shall be entitled to relief from
10 local property taxation or vehicle license fees in accordance with
11 the provisions of this chapter.

12 SEC. 5. Section 172.1 of the Revenue and Taxation Code is
13 amended to read:

14 172.1. (a) To claim tax relief in accordance with the
15 provisions of this chapter, the owner shall execute a declaration
16 under penalty of perjury that the replaced manufactured home
17 was destroyed by a ~~disaster declared by major misfortune or~~
18 *calamity for which the Governor proclaimed a state of*
19 *emergency in the area or region in which the misfortune or*
20 *calamity occurred* and shall furnish with that declaration any
21 other information, prescribed by the Department of Housing and
22 Community Development after consultation with the California
23 Assessors' Association, as is necessary to establish eligibility for
24 relief under this chapter.

25 To be eligible for relief under this chapter, the replacement
26 manufactured home must be comparable in size, utility, and
27 location, as determined by the county assessor, with the
28 destroyed manufactured home.

29 For purpose of this section, "destroyed" means damaged to
30 such an extent that the cost of repair to the manufactured home
31 would exceed its value at that time immediately preceding its
32 destruction, or the manufactured home is declared a total loss for
33 insurance purposes.

34 (b) If the replacement manufactured home is subject to local
35 property taxation, the affidavit and documentation required by
36 subdivision (a) shall be forwarded to the assessor of the county of
37 situs. If the assessor determines that the owner of the replacement
38 manufactured home is eligible for tax relief in accordance with
39 the provisions of this chapter, the assessor shall, notwithstanding
40 any other provision of law, do either of the following:

1 (1) If the destroyed manufactured home was subject to the
2 vehicle license fee, enroll the replacement manufactured home
3 with an assessed valuation so that the local property taxes paid
4 shall be the same amount as the vehicle license fee and
5 registration fee due on the destroyed manufactured home for the
6 year prior to its destruction.

7 (2) If the destroyed manufactured home was subject to local
8 property taxation, enroll the replacement manufactured home at a
9 taxable value equal to the taxable value of the destroyed
10 manufactured home at the time of its destruction.

11 (c) If the assessor determines that the owner of the
12 replacement manufactured home is not eligible for tax relief in
13 accordance with the provisions of this chapter, the replacement
14 manufactured home shall be assessed in accordance with Part 13
15 (commencing with Section 5800).

16 (d) If the replacement manufactured home is subject to the
17 vehicle license fee, the affidavit and documentation required by
18 subdivision (a) shall be forwarded to the Department of Housing
19 and Community Development. If the department determines that
20 the owner is eligible for tax relief in accordance with the
21 provisions of this chapter, the department shall do either of the
22 following:

23 (1) If the destroyed manufactured home was subject to the
24 vehicle license fee, assign an in-lieu taxation classification and
25 rating year for determination of depreciation such that the owner
26 of the replacement manufactured home will be charged
27 registration and license fees no greater than those he or she
28 would have been charged for the destroyed manufactured home.

29 (2) If the destroyed manufactured home was subject to local
30 property taxation, assign an in-lieu taxation classification and
31 rating year for determination of depreciation such that the owner
32 of the replacement manufactured home will be charged
33 registration and license fees equal to local property taxes paid on
34 the destroyed manufactured home for the year prior to its
35 destruction.

36 (e) If the department determines that a replacement
37 manufactured home subject to the vehicle license fee is not
38 eligible for tax relief in accordance with the provisions of this
39 chapter, the vehicle license fee for the replacement manufactured

1 home shall be determined in accordance with the provisions of
2 Sections 18115 and 18115.5 of the Health and Safety Code.

3 (f) If the tax on a replacement manufactured home determined
4 in accordance with subdivision (b) or (d) is greater than the tax
5 would be if determined without reference to this chapter, the
6 lesser amount shall be levied.

7 (g) If a manufactured home subject to tax relief in accordance
8 with the provisions of this chapter is subsequently sold or
9 transferred to another party, the subsequent owner shall not
10 receive this tax relief unless he or she is eligible in his or her own
11 right for that relief.

12 SEC. 6. Section 194 of the Revenue and Taxation Code is
13 amended to read:

14 194. As used in this chapter:

15 (a) “Eligible county” means a county that meets both of the
16 following requirements:

17 (1) Has been proclaimed by the Governor to be in a state of
18 emergency.

19 (2) Has adopted an ordinance providing property tax relief for
20 disaster victims as provided in Section 170.

21 (b) “Eligible property” means real property and any
22 manufactured home, including any new construction that was
23 completed or any change in ownership that occurred prior to the
24 date of the disaster that meets both of the following
25 requirements:

26 (1) Is located in an eligible county.

27 (2) Has sustained substantial disaster damage and the disaster
28 resulted in the issuance of a state of emergency proclamation by
29 the Governor.

30 “Eligible property” does not include any real property or any
31 manufactured home, whether or not it otherwise qualifies as
32 eligible property, if that real property or manufactured home was
33 purchased or otherwise acquired by a claimant for relief under
34 this chapter after the last date on which the disaster occurred.

35 (c) “Fair market value” means “full cash value” or “fair
36 market value” as defined in Section 110.

37 (d) “Next property tax installment payment date” means
38 December 10 or April 10, whichever date occurs first after the
39 last date on which the eligible property was damaged.

1 (e) “Property tax deferral claim” means a claim filed by the
2 owner of eligible property in conjunction with, or in addition to,
3 the filing of an application for reassessment of that property
4 pursuant to Section 170, that enables the owner to defer payment
5 of the next installment of taxes on property on the regular
6 secured roll for the current fiscal year, as provided in Section
7 194.1 or to defer payment of taxes on property on the
8 supplemental roll for the current fiscal year, as provided in
9 Section 194.9.

10 (f) “Substantial disaster damage,” as to real property located in
11 a county ~~declared~~ *proclaimed* to be ~~a disaster in a state of~~
12 *emergency* by the Governor, means, with respect to real property
13 and any manufactured home that has received the homeowners’
14 exemption or is eligible for the exemption as of the most recent
15 lien date, damage amounting to at least 10 percent of its fair
16 market value or ten thousand dollars (\$10,000), whichever is
17 less; and, with respect to other property, damage to the parcel of
18 at least 20 percent of its fair market value immediately preceding
19 the disaster causing the damage.